



Irish Life Weekly Investment Bulletin

The week that was – WEEK 48 2018 (ending 30/11/2018)

“When one is willing and eager the gods join in.” – Aeschylus

Irish retail sales rise 5.8% y-o-y in October – According to latest figures from the Central Statistics Office, retail sales volumes rose by 5.8% in October compared with October 2017 and by 4.4% if motor trades are excluded. The sectors with the largest monthly increases were Pharmaceutical, Medical & Cosmetic (+9.3%).

BOE warnings on a ‘no deal’ Brexit – The Bank of England in its latest analysis projects that in the case of a ‘no deal’ Brexit: the UK economy would contract by 8% soon after, unemployment would double, a 30% drop in house prices, a 48% reduction in commercial property values and a 25% fall in the value of the pound.

Global stock market up 3.4% on the week – The MSCI AC World TR Index showed a 3.38% return from 23rd November to 30th November, with the U.S. S&P 500 Index recording its largest weekly rise since December 2011. The Vix (Volatility Index) closed the week at 18.07, down from 21.52 on 23rd November.

Fed Chairman raises hopes of U.S. rate rises ending relatively soon – Markets felt more reassured that the rate tightening cycle may be nearing an end relatively soon after U.S. Federal Reserve Chairman Jerome Powell said interest rates are approaching a range the central bank judges to be neutral for the economy.

Trump and Xi buy time in potential trade resolution – U.S. President Donald Trump and China Premier Xi Jinping agreed at their bilateral meeting at the G20 summit in Buenos Aires to give another 90 days to try and resolve the outstanding issues of their ongoing trade disagreement and delay any tariff changes or increases.

Oil drops below \$50 a barrel – Concerns about oversupply pushed U.S. crude oil fell below \$50 a barrel for the first time in more than a year before rebounding on a report that Russia might be willing to cut its output. It had hit a four-year high of above \$76 a barrel less than two months ago but has dropped by a third since then.

The Story of the week: Rakhim Kurayev, a five-year-old boy and miniature bodybuilder from Chechnya has broken six world records after a marathon session of 3,202 consecutive press-ups. He has been called the “five-year-old Schwarzenegger” and has won a Mercedes for his achievement as well as a trip to a toy shop where he could pick “everything he wanted”. Rakhim opted for toy cars to add to his real one, along with a Spiderman. An earlier attempt when Rakhim had reportedly managed 4,105 non-stop press-ups was not counted because of video footage problems.

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD (to 30/11)
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	0.0
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	-16.2
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	-5.4
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	-7.1
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	5.1
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	6.2
Nikkei 225	56.7	7.1	9.1	0.4	19.1	-1.8
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	-9.7
Eurozone Government Bonds 1–5 yr	2.1	3.4	1.0	0.9	-0.2	-0.4
Sovereign 10yr Bond Yields (%)	2013	2014	2015	2016	2017	2018 YTD
U.S.	3.0	2.2	2.2	2.4	2.4	3.0
German	1.9	0.5	0.6	0.2	0.4	0.3
UK	3.0	1.9	1.9	1.2	1.2	1.4
Japan	0.7	0.3	0.2	0.0	0.0	0.1
Ireland	3.4	1.3	1.1	0.7	0.7	0.9
Italy	4.1	2.1	1.6	1.8	2.0	3.2
Greece	8.2	9.6	7.9	7.1	4.1	4.2
Portugal	6.1	2.7	2.5	3.8	1.9	1.8
Spain	4.1	1.6	1.7	1.4	1.6	1.5
Central Bank Rates (%)	2013	2014	2015	2016	2017	2018 YTD
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.75
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	2.25
Foreign Exchange Rates	2013	2014	2015	2016	2017	2018 YTD
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.14
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.89
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.28
IPD All Property Return % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD
Ireland	12.3	36.1	25.1	12.6	8.1%	5.5% (To end of Q3)
U.K.	10.9	17.9	13.3	3.6	10.3%	3.7% (To end of Q3)
U.S.	11.6	11.5	12.5	7.7	7.1%	3.7% (To end of Q3)

*Past performance is not a reliable guide to future performance and may fall as well as rise.